

11th SEED Thessaloniki, 26-27 June 2018
Energy Market Transition and Security in SE Europe”

Opening Remarks by Mr. John Chadjivassiliadis, Chairman of IENE

Dear Colleagues, Ladies and Gentlemen,

On behalf of IENE I welcome you to the 11th South East Europe Energy Dialogue in Thessaloniki. The special focus of the Dialogue this year is **“Energy Market Transition and Security in SE Europe”**, signifying the consistent efforts now taking place on clean energy transition and improved energy security in view of persisting global and regional instability.

According to “the Paris Climate Agreements” the global need to reduce CO₂ emissions has been decided in the fight against global warming. The European Strategy in Energy and Environment is dealing with sustainable energy systems of zero or low CO₂ emissions. This strategy should be adopted by all countries in the region to move towards the vision 2050.

Last year Europe generated more electricity from renewables than from coal, reaching 30%. This is a clear sign that a transformation in Europe is underway with positive influence on other countries, but we need to go further and faster for clean, secure and affordable electricity.

The energy landscape is changing and there are exciting opportunities for clean energy in the region, for the digitalization of energy sector, for well-informed people and for raising awareness and motivation. New ideas and innovative technologies combined with skilled human resources may lead to a clean and affordable energy for the next generations.

Regarding energy efficiency in the region, it should be underlined that this was not given a high enough priority in the past. The role of energy efficiency has been recognized in recent years and more work is required at state and local authority level for energy efficiency schemes.

Electricity is becoming the main energy carrier with new areas of applications, almost everything becomes electrified, such as transport, heating etc. New technologies in power generation by wind and solar with competitive cost, combined with storage facilities may create the future sustainable energy systems.

Renewable energies and decentralized power generation are rapidly changing the electric grid with transformation of the networks and the market, where the grid operators must respond to the new challenges. New concepts are introduced in the electricity, such as smart grids, microgrids, virtual power plants, smart cities, and new services are provided to the consumers.

Natural gas is becoming increasingly important to the countries of the region for their energy mix including power generation. However, the poor infrastructure and the lack of adequate cross border interconnections, especially in the west Balkan countries, are the obstacles for further penetration of natural gas in the energy mix and market development. Moreover, in SE Europe the gas supply is characterized mostly by lack of local production with one dominant supplier in the region.

The high dependence on oil and gas imports in the region should be emphasized, and this is driving the exploration efforts many countries.

However, it should be pointed out that South-East Europe's geopolitical position is unique as it is close to eastern energy producer countries and acting as energy corridor for the EU, both for gas and electricity, towards a more interconnected and secure Europe. The expanded south corridor, the vertical corridor, the EuroAsia Interconnector, the East-Med pipeline and others as main energy routes should be mentioned.

The liberalization of the electricity market has made impressive progress in most countries in the region, especially the EU member-states and Turkey, with unbundling and competition. Six countries in the Western Balkans are contracting parties of the Energy Community and hence fully adapting their energy legislation to the EU directives.

However, in terms of security of energy supply the region appears more vulnerable than the rest of Europe and it can be strengthened by improving the interconnectivity for both gas and electricity across the region.

A huge amount of investment is needed during the next decades for the development of the future electricity and gas networks for a clean energy and more efficient European network and market operation. The energy sector offers a great challenge for closer cooperation between the SEE countries and therefore, such cooperation will facilitate the European integration process.

To this subject, the South East Europe Energy Dialogue may contribute to a comprehensive perspective on the future energy system in the region with affordable and climate-friendly energy, which are full of exciting challenges.

At IENE, with the 11th SE Europe Energy Dialogue we aspire to contribute once again to a high-level discussion on the region's key energy issues and facilitate the cooperation of the stakeholders among the countries, having in mind the vital role of SE Europe as an energy bridge to the EU.

Thank you for your attention!!